

AN ORDINANCE 2006-02-16-0212

AUTHORIZING A LEASE AGREEMENT WITH THE TRADE COMMISSION OF MEXICO FOR OFFICE SPACE AT THE INTERNATIONAL CENTER LOCATED IN DISTRICT 1, FOR A THREE-YEAR TERM BEGINNING JANUARY 30, 2006 AND ENDING JANUARY 31, 2009, WITH TWO THREE-YEAR TERM RENEWAL OPTIONS.

* * * * *

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:


SECTION 1. The City Manager or her designee is hereby authorized and directed to execute and deliver on behalf of the City a lease agreement with Trade Commission of Mexico/Banco Nacional de Comercio Exterior, S.N.C. in substantially for the form attached as **Exhibit A**, which is incorporated herein by reference for all purposes as if it were fully set forth. The City Manager and her designee are further authorized and directed to take all other actions reasonably necessary or convenient to effect the transaction reflected in Exhibit A, including agreeing to non-material changes to the terms thereof.

SECTION 2. The proceeds of this Lease will be deposited into Fund 29076000 entitled, "International Center Fund, "Internal Order 224000000000, entitled "International Center Leases," and General Ledger Accounts 4401110, entitled "Lease - Rental of City Buildings" and 4401111, entitled "Lease - Building Maintenance Charges."

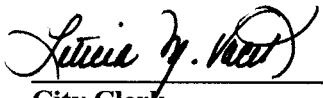
SECTION 3. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager, or the City Manager's designee, correct allocation to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

SECTION 4. This ordinance becomes effective February 26, 2006.

PASSED AND APPROVED this 16th day of February 2006.



M A Y O R
PHIL HARDBERGER

Attest:



City Clerk

Approved As To Form:



City Attorney

Exhibit A

Lease Agreement International Center Suites (BancoMext)

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Authorizing Ordinance (No. &Date):

Landlord: City of San Antonio

Landlord's Address: City Hall, P.O. Box 839966, San Antonio, Texas 78283-

3966

Tenant: Trade Commission of Mexico/Banco Nacional de Comercio Exterior, S.N.C.

Tenant's Address: Periferico Sur 4333, Col. Jardines de la Montana, Mexico, D.F., C.P. 1420

Premises: International Center Suite No. 101, the International Center ("Building") at 203 South St. Mary's Street, and legally described as Lot 1 thru 4, New City Block 107 and Lots, 1, 2, and A-6, New City Block 146. Suite 101 consists of approximately 204 gross leaseable square feet and is shown on the diagram attached as **Exhibit A**.

Term: January 30, 2006 through January 31, 2009 (no extra Rent need be paid for the extra days in January 2009)

Base Rent: As provided in paragraph 6.

Initial CAM Charge: \$2.88 a square foot per annum

Permitted Use: General office purposes

1. Lease.

1.01. Landlord leases the Premises to Tenant for the Use during the Term under the terms and conditions of this agreement.

1.02. Landlord may from time to time to install, maintain, repair, and replace utility lines, pipes, ducts, wires, and other common elements passing through the Premises to serve other parts of the Building. Such activity will not (1) except in emergencies, unreasonably interfere with Tenant's operations, (2) constitute an eviction of Tenant; or (3) warrant an abatement of Rent.

2. Continuous Operations.

Tenant must keep the Premises open for business from at least 8:00 A.M. until 4:00 P.M. Central Time Monday through Friday, 52 weeks a year. But Tenant (a) is permitted up to 20 holidays of its choosing annually and (b) need not conduct business when the Premises are untenable because of fire or other calamity.

3. Common Areas.

3.01. "Common Areas" mean all areas, equipment, facilities, and services in the Building, as the same may be provided by Landlord from time to time for the common use and benefit of the tenants of the Building.

3.02. Tenant and its employees and business invitees have non-exclusive use the Common Areas as constituted from time to time, subject to reasonable rules and regulations set by Landlord from time to time.

3.03. Landlord may change the Common Areas, including, without limitation, their dimensions and location, without prior consultation with, or approval of, Tenant,

unless the Common Areas Costs, as defined thereafter, will be increased. In the latter case, Tenant will be consulted but approval is not required.

3.04. Subject to events beyond its reasonable control, Landlord will manage, operate, and maintain the Common Areas in reasonably good order and repair. If the Common Areas or any other parts of the Building are damaged by Tenant or its employees or invitees, Tenant must, promptly on request, reimburse Landlord for the cost of repairs. Landlord is responsible for electricity, HVAC, lighting, and, where applicable, water, for the Common Area.

4. No Parking Provided.

Tenant must arrange for parking for itself and its invitees apart from this Lease.

5. Term/Renewal.

5.01. The term of this Lease is as stated above, unless earlier terminated under the terms hereof.

5.02. If Tenant is not in default, the parties may agree to extend this Lease for two consecutive three-year term(s) ("Renewal Term") following the end of the Initial Term. Each Renewal Term will be subject to approval by City Ordinance. To renew, Tenant must notify Landlord in writing of its intent to do so no later than 90 days before the prior Term expires. All terms and conditions of the Lease will remain the same for each Renewal Term, except (a) CAM Charges are payable at the then prevailing CAM Charges rate and (b) Base Rent is payable as follows:

1 st Renewal	February 1, 2009 through January 31, 2012	\$15/square foot annually
2 nd Renewal	February 1, 2012 through January 31, 2015	\$17/square foot annually

6. Rent.

6.01. Rent consists of Base Rent, Common Area Maintenance Charges (CAM Charges), and all other sums due from Tenant to Landlord under this agreement for whatever reason. All Rent is denominated in U.S. dollars.

6.02. Base Rent is

Base Rent	Amount Per Square Foot	Total Amount	
	Per Year	Per Year	Per Month
Months 1-18	\$10.39	\$2,119.56	\$176.63
Months 19-36	\$13.20	\$2,692.80	\$224.40

6.02. Tenant must pay Rent in person or by mail by the first day of each month to the City of San Antonio Finance Department, Revenue and Taxation Division, 506 Dolorosa Street, San Antonio, Texas 78205. If Rent is not received by Landlord by the 10th day of any month, Tenant must pay a late fee of \$15.00.

7. CAM Charges.

7.01. "Common Areas" mean all areas, both open and enclosed, equipment, facilities, and services in the Building, as they may exist from time to time, provided by Landlord for the common use and benefit of the tenants of the Building, their employees, servants, customers, and other invitees.

7.02. Tenant have the non-exclusive right to use the Common Areas as constituted from time to time, such use to be in common with others and subject to such reasonable rules and regulations governing use, operation, and maintenance as the Landlord may from time to time prescribe.

7.03. Landlord reserves the right to change the Common Areas, including, without limitation, changes in the dimensions and location, without prior consultation with, or approval of, Tenant.

7.04. Landlord will, subject to events beyond its reasonable control, manage, operate, and maintain the Common Areas in reasonably good order and repair, except for damage caused by Tenant or those whose presence is through Tenant, which must be paid for by Tenant upon demand by Landlord. Landlord is responsible for providing electricity, heating, ventilation, air-conditioning (HVAC), lighting, and, where applicable, water, for the Common Area.

7.05. CAM Charges chargeable to Tenant for a year are the sum of (1) all Landlord's maintenance and operation expenses for the Common Areas plus (2) 15% of such expenses for Landlord's supervision of maintenance and operation of the Common Areas. Maintenance and operation expenses for the Common Areas are all current operating expenses determined in accordance with generally accepted accounting principles, including, without limitation, lighting and electricity, HVAC; passenger and freight elevators; telephones; applicable cable, satellite or other TV; domestic water; sewer, other utilities, if any; public restrooms; security; landscaping; pest control; garbage fees; repairs; policing, repainting; cleaning, sweeping and other janitorial services, including wages/salaries of maintenance workers and unemployment insurance, income taxes, and social security taxes therefor; premiums on public liability insurance, property damage, fire and Worker's Compensation Insurance and the deductible portion for self-insurance for the Common Areas; real and personal property taxes, if any; and such other costs for those services supplied by Landlord, that, in Landlord's judgment, are necessary for the maintenance and operation of the Common Areas. The cost of capital improvements to the Common Areas (defined in accordance with generally accepted accounting principles), are excluded from the calculation of CAM Charges passed through to Tenant.

7.06. Tenant must pay its share of CAM Charges at the same interval, time, and place as all other Rent payments. CAM Charges are per square foot per month for each square foot of space that Tenant leases from Landlord under this Lease.

7.07. CAM Charges will be adjusted annually based on a calendar year. For the purposes of adjusting CAM Charges, Tenant's share is based on the ratio of total gross leasable square footage in the Premises over the total gross leasable square footage in

the Building, multiplied times the total CAM Charges. Tenant must pay CAM Charges during the course of a year based on Landlord's annualized expenses experienced the previous year. If, at the end of a year, Tenant has paid CAM Charges less than would be due if the CAM Charges were calculated on Landlord's actual expenses during the just passed year, Tenant must pay the difference to Landlord within 30 days of invoice therefor.

8. Utilities.

Landlord includes electricity, water, and wastewater in the Rent. Tenant must contract separately for telephone, television, and other communication connections and must pay all charges therefor. Landlord will provide janitorial service five days per week.

9. Acceptance of Condition /Modification Prohibition.

9.01. Tenant has had ample opportunity to inspect the Premises and takes them "As Is, Where Is, With All Faults." Tenant's taking possession of the Premises is shall be conclusive evidence of Tenant's acceptance of the Premises in good order and satisfactory condition, suitable for Tenant's intended purposes and uses as stated herein.

9.02. Landlord specifically disclaims any and all warranties whatsoever of the Premises' suitability, habitability, or tenantability.

9.03. Tenant must not make any improvement, remodeling, renovation, alteration, addition, or modification of any kind or nature, whether structural or otherwise, to the Premises without the prior written approval of Landlord.

9.04. Landlord may make alterations or additions to, and to build additional stories on, remove adjoining portions of, or remodel the Building and may build adjoining the same, provided such alterations, additions, or construction do not materially alter Tenant's egress and ingress to the Premises.

10. Tenant's Signs.

On request and reimbursement of Landlord's cost, Landlord will furnish Tenant a tenant/suite identification sign to be affixed to the wall near the main entrance to the Premises. The sign will be of a character and quality consistent with the building décor generally and other such signs specifically. Tenant must not display any other signs outside the Premises or in a manner that is visible outside of the Premises.

11. Taxes and Fees.

Tenant must pay before delinquency all current and future taxes, assessments, license and permit fees, and governmental impositions of whatever kind or nature imposed on the Premises or Tenant's operations thereon, including, but not limited to, taxes on Tenant's leasehold interest and leasehold improvements. If the fee simple interest of Landlord is subject to taxation, then Tenant must pay that, too. If Tenant fails to pay any such sum on or before the due date and Landlord thereafter pays, Tenant must reimburse the amount paid plus interest at the rate of 18% per annum.

12. Condition of Premises.

8.01. Tenant must give to Landlord prompt written notice of any damage to or defective condition in any part of the Building's plumbing, electrical, heating, air conditioning, or other system located in or passing through the Premises.

8.02. Tenant must not permit any liens to arise against the Premises or improvements thereon, or any equipment, machinery, or fixtures belonging to Landlord. Tenant will indemnify Landlord and hold it harmless of and from any and all loss, cost, liability, or expense arising from or related to any such lien. If any such liens are filed, Tenant must, not later than 30 days after the date of filing, cause the same to be canceled and discharged of record, by bond or otherwise at the election and expense of Tenant, and must also defend on behalf of Landlord, at Tenant's sole cost and expense, any action, suit or proceeding brought thereon or for the enforcement thereof.

8.03. Failure of Tenant to comply with any requirement of this article is cause for immediate termination of this Lease by Landlord, subject to the notice and cure periods set forth below.

13. Maintenance and Operation.

13.01. Landlord will provide HVAC in amounts and at temperatures determined by Landlord to be standard for office space in San Antonio, Texas between the hours of 7:00 A. M. and 6:00 P.M. on Monday through Friday, except Christmas Day, New Years Day, Memorial Day, Fourth of July, Labor Day, Thanksgiving Day and any other City of San Antonio holidays, or Mexican national holidays. If Tenant desires to use heating or air conditioning at other hours, Tenant must request same in writing, seeking Landlord's prior approval. The request must be made by delivery to the Building security guard at least 24 hours in advance. In the case of a Saturday, Sunday or holiday, the request must be made by Tenant no later than noon the business day preceding the Saturday, Sunday or holiday. The security guard may be contacted at (210) 886-9874.

13.02. Landlord is not be liable for any damage to Tenant's merchandise, trade fixtures, or personal property caused by water leakage from the roof, water lines, sprinkler, or HVAC equipment, or acts of other tenants in the Building, or overflow of the banks of the San Antonio River.

13.03. Tenant must keep and maintain the interior of the Premises equipped with safety devices required by any governmental authority. Tenant specifically must comply with all rules and regulations of the local Board of Fire Underwriters.

13.04. If Tenant installs any electrical or other equipment that could overload or clog the existing utility lines serving the Premises or adjacent premises, Tenant must, at its own expense, make whatever changes are necessary to comply with the requirements of the Insurance Underwriters and/or the City of San Antonio Development Services Department to correct such overload.

13.05. If Tenant fails to maintain or repair the Premises in accordance with the general standard of the Building and fails to correct same after notice and 10 days'

opportunity to cure, Landlord may, but is required to, make or cause such maintenance or repairs to be made. In such case, Landlord is responsible to Tenant for any loss or damage to Tenant's stock or business by reason thereof. If the Landlord makes or causes such maintenance or repairs to be made, Tenant must forthwith, on demand, pay Landlord the cost thereof. If Tenant defaults in such payment, Landlord has the remedies provided herein for default of payment of Rent.

13.06. Landlord will keep and maintain the roof, foundation, main beams, exterior walls, and all other structural portions of the Premises in good repair, but Landlord is not liable for any damage until Landlord has had a reasonable opportunity for repair after written notification from Tenant of the need therefor.

14. Compliance with Law.

14.01. Tenant must comply promptly with all applicable laws, rules, and regulations, whether local, state, or federal.

14.02. Tenant must further comply with the regulations or requirements of any insurance underwriter, inspection bureau, or similar agency, with respect to that portion of the Premises leased and installed by Tenant. Tenant also must permit Landlord to comply with such recommendations and requirements with respect to that portion of the Premises installed by Landlord.

15. Rules and Regulations.

Tenant must comply with all rules and regulations set or otherwise imposed by Landlord. Landlord may amend its rule and regulations from time to time. If Landlord delivers a copy of the amendment to Tenant, Tenant must comply with the amended rules and regulations without a formal amendment of this lease. As of the signing of this lease, the rules and regulations include, but are not limited to the following:

(1) Subject to Tenant's right to conduct its business, Tenant shall not injure, overload or deface the Premises or Building, nor make any use thereof which is contrary to any Federal or State law or City of San Antonio Ordinance, nor permit any act or thing to be done on the Premises which may make void or avoidable or increase the rates of any insurance covering the Premises or Common Areas; nor cause or permit the omission of any excessively loud noises or noxious odors from the Premises or in the Building by the operation of any instrument, apparatus, equipment therein, or other means which may, in Landlord's judgment, be deemed offensive or disturbing in nature; nor perform any act or carry on any practice which may be a nuisance or menace to other tenants in the Building or which is illegal, immoral or disreputable or which may reduce the market value of the Premises or Building. In connection therewith, no activity or method of operation shall be allowed in, on or about the Premises which exposes patrons thereof to nudity or to partial nudity as defined the City of San Antonio's Sexually Oriented Business Ordinance or which otherwise violates such ordinance.

(2) The operation of a massage business or tanning salon or modeling studio or place of gambling shall not be allowed in, on, or about the Premises.

(3) On provision by Landlord of notice to Tenant of any employee in Tenant's operations that may be reasonably deemed to be discourteous or objectionable or rude, Tenant agrees to take immediate appropriate remedial action, including, but not limited to, removal of said employee from employment on the Premises, if warranted.

(4) Tenant shall not cause the loading or unloading of trucks or similar delivery devices in the Building except in the loading and service areas and at such reasonable times as designated by Landlord, nor shall Tenant cause the undue obstruction of streets, sidewalks or other Common Areas, doorways, corridors, stairways, or entrances of the Building. At any time that Tenant moves equipment or furniture in or out of the Premises, Tenant will be responsible for covering or otherwise protecting the Common Areas flooring, walls, doors and other finishes from damage. Tenant shall direct their vendors and customers to use the service elevator for any large deliveries.

(5) The outside areas immediately adjoining the Premises, including sidewalks, and Common Areas of the Building, shall be kept free and clear at all times by Tenant and Tenant shall not place nor permit any obstructions, garbage, refuse, merchandise or displays in such areas.

(6) Other than normal janitorial service, Tenant shall dispose of garbage and refuse in accordance with municipal ordinances and in the space designated by Landlord. No trash shall be stored in the Common Areas.

(7) Tenant shall not place or maintain any obstructions, including temporary fixtures, in the Common Areas. In the event any violation of this Rule is not corrected on demand, Landlord shall have the right, without obligation for prior notice, to remove any such obstruction without liability therefor.

(8) Tenant, its employees, and/or its agents shall not solicit business in the common areas or other areas of the Building or adjoining sidewalks, San Antonio River Walk, or streets nor shall Tenant, its employees, and/or agents, representatives, or invitees distribute handbills or other advertising matter in the Common Area the Building. However, Tenant shall be allowed to conduct business inside its office portion of the Premises.

(9) Nothing is to be attached or placed on the roof or any other areas of the Building or grounds or exterior walls of the Premises, including, but not limited to, any antenna, sound amplification equipment or other telecommunication equipment, without the prior written consent of Landlord.

(10) No loudspeakers, television, phonographs, radios, flashing lights, or other devices shall be used in a manner so as to be heard or seen outside of the Premises without the prior written consent of Landlord.

(11) No auction, fire, bankruptcy, going out of business, or other selling-out sales shall be conducted on or about the Premises without the prior written consent of the Landlord.

(12) Unless Landlord approves in writing in advance, Tenant shall not affix or maintain on the glass panes and supports of the show windows, doors, or the exterior walls of the Premises any signs, logos, posters, advertising placards, names, insignia, trademarks, descriptive material, or any other such like item or items, excepting only, in the case of exterior walls, windows, and doors, signs approved under the provision of Article VI., and, in the case of doors, signs identifying Tenant and indicating the hours of operation.

(13) No awning or other projections shall be attached to the outside walls of the Premises or the Building without the prior written consent of Landlord and any appropriate municipal authority.

(14) Tenant must keep the Premises clear and free of rodents, bugs and vermin. No pets of any kind will be allowed in the Premises, Building or on the grounds at any time.

(15) No tables or chairs or any improvements, trade fixtures, equipment, other furniture, fixtures, furnishings, personal property or any other property of Tenant whatsoever will be

allowed to encroach into the Common Areas or public right-of-way, including, but not limited to, the public sidewalk area.

(16) Further, Landlord will not be responsible for any loss, theft, damage or destruction of, or to, any tables, chairs or any other improvements, whether structural or non-structural, trade fixtures, equipment, other furniture, fixtures, furnishings, personal property or any other property of Tenant that is placed in the Premises.

(17) Tenant shall comply with Landlord's noise ordinance. Failure to comply may, at Landlord's option, constitute a separate act of default under this Lease.

(18) Discrimination on account of race, color, gender, age, handicap, religion or national origin, directly or indirectly, in employment or in the use of, or admission to, the Premises is prohibited.

(19) Tenant shall not, except as may otherwise be permitted by applicable laws and regulations, pay less than the minimum wage required by Federal and State statutes and City of San Antonio Ordinances to persons employed in its operations hereunder.

(20) Tenant agrees to comply with all Federal and State Statutes and City of San Antonio Ordinances regarding the use of City of San Antonio ("Landlord")-owned property, specifically including, but not limited to, the City of San Antonio's smoking ordinance, which prohibits smoking in the Building and the Premises, and prohibitions on carrying concealed weapons.

(21) Any safes being brought into the Building will require the prior written permission of Landlord. Landlord may prescribe where the Tenant may not locate the safes within the Premises. This language shall not apply to a small safe which Tenant is hereby granted permission by Landlord to place inside of the office portion of the Premises at any location Tenant desires.

(22) Plumbing fixtures in Tenant areas and Common Areas shall be used only for their intended purposes and no trash or other materials that may cause stoppage or damage shall be placed in or on such plumbing fixtures.

(23) No draperies, shutters or window coverings of any kind shall be installed by Tenant.

(24) The Premises shall not be occupied as sleeping or lodging quarters.

(25) Tenant and Tenant's employees are advised that all valuables, including purses, should be kept in a safe and/or locked area.

(26) Tenant must keep the areas immediately in front of windows neat and orderly so that the view into the window from the exterior is not unsightly. No boxes, trash, trash containers, signs, decorations, or storage of materials or supplies should be placed in front of or attached to the windows.

(27) If Tenant requires additional locks, Tenant shall request such locks from Landlord and all charges will be paid by Tenant. No locks shall be placed on any doors in the Premises by Tenant without prior approval of Landlord and, in the event that Landlord approves such installation, Tenant shall provide Landlord with duplicate keys.

(28) Bicycles must be stored in bicycles racks outside of the Building or, if they are brought into the Building, the service elevator must be used and the bicycle must be stored in the Premises, not on balconies or in Common Areas or within public view.

(29) No furniture, plants or other objects may be placed on the Building balconies without the prior approval of the Historic and Design Review Commission. No furniture, plants or other objects may be placed in the street level arcade areas without the prior approval of the

Landlord's Departments of Asset Management, Landlord Architect's Office and the Historic Preservation and Urban Design Division of the Planning Department.

(30) Electrical appliances such as coffee pots shall be used in the break room or kitchen area of the Premises (except for Tenant's equipment, used in the regular course of business), and Tenant must ensure that all such appliances are turned off at the close of business each day.

(31) Use of the International Conference Center located on the third floor of the Building must be scheduled in advance by contacting Landlord. Scheduling and use of this Center are subject to the procedures established by City and such procedures may be modified from time to time by Landlord.

(32) Persons entering the Building between 6:00 p.m. and 6:00 a.m. weekdays and at any time on weekends and holidays must sign in and out with the lobby security guard.

(33) No items may be placed or displayed in the gallery, niches, or in any portion of the Common Areas without the prior written approval of Landlord.

16. Subordination to Scheduled Events.

Landlord may from time to time accommodate functions or events that may require temporary street closures, controlled or limited access to the Premises, or temporary closure of access to, or temporary closure of, the Premises. Any such determination or requirement by the Landlord is superior to any right, privilege or leasehold interest granted Tenant under this Lease. Tenant must cooperate fully with Landlord upon notification. Tenant further waives any and all claims for damages, including, but not limited to, loss of business, that Tenant may suffer as a result of any such requirement by Landlord, Rent does not abate during such period.

17. Landlord's Access to Premises.

Landlord and its agents, employees, or servants may enter the Premises for the purposes of: (a) inspecting the condition of same; (b) making such repairs, additions, alterations, or improvements thereto, or to the Building of which they are a part, to specifically include, but not be limited to, access to sewer drainage clean outs; and (c) exhibiting the same to prospective purchasers or future tenants of the Building in which the Premises is contained. Any such entry shall not unreasonably interfere with the conduct of Tenant's business, except in emergency situations.

18. Insurance.

18.01. Landlord disclaims any employee, agent, or invitee relationship with any person present on the Premises through Tenant. Claims resulting from any obligation for which Tenant may be held liable under any workers' compensation, unemployment compensation, disability benefits, similar statutory scheme, or common law negligence are the sole obligation and responsibility of Tenant.

18.02. Tenant must provide and maintain in full force and effect from the Effective Date of this Lease insurance coverage written on an occurrence form, by companies authorized and admitted to do business in the State of Texas and rated A or better by A.M. Best Company and/or otherwise acceptable to Landlord, in the following types and amounts:

Type:

Amount:

1. Worker's Compensation	Statutory, with a Waiver of subrogation in favor of Landlord
Employer's Liability	\$500,000/\$500,000/\$500,000 with a Waiver of Subrogation in favor of Landlord
2. Commercial General Public Liability Insurance to include (but not be limited to coverage for) coverage for the following:	For Bodily Injury, Death, and Property Damage of \$1,000,000 per occurrence; \$2,000,000 general aggregate, or its equivalent in umbrella or excess liability coverage
(a) Premises/Operations	
(b) Independent Contractors	
(c) Products/Completed Operations	
(d) Contractual Liability	
(e) Personal Injury Liability	
(f) Broad-Form Property Damage, to include Fire Legal Liability	
(g) Host Liquor Liability Insurance, if alcoholic beverages are served on the Premises	
(f) Liquor Legal Liability Insurance, if alcoholic beverages are sold on the Premises	
3. Business Automobile Liability to include coverage for:	Combined Single Limit for Bodily Injury, Death, and Property Damage of \$1,000,000.00 per occurrence
(a.) Owned/Leased Automobiles	
(b.) Non-owned Automobiles	
(c) Hired Automobiles	
4. Property Insurance for physical damage to the property of the Tenant, including improvements and betterments	All Risk Coverage for a minimum of 80% of the actual cash value of Tenant's improvements and betterments made to the Premises by Tenant.
5. Plate Glass Coverage for the Premises	Replacement Cost Insurance or, at option of Tenant, self insurance

18.03. Landlord may modify the insurance coverage and limits when deemed necessary and prudent by Landlord's Risk Manager, based upon changes in statutory law, court decisions, or circumstances surrounding this Lease, but in no instance will Landlord allow modification increasing Landlord's risk.

18.04. Each insurance policy required by this Lease must contain the following clauses:

"This insurance is not canceled, limited in scope or coverage, or non-renewed until after 30 days' prior written notice has been given to:

- (a) City Clerk, City of San Antonio
City Hall/2nd Floor
P. O. Box 839966
San Antonio, Texas 78283-3966
Attention: Risk Manager

"The insurance provided by Tenant is primary to any insurance or self-insurance maintained by the City of San Antonio."

"Any insurance or self-insurance maintained by the City of San Antonio applies in excess of, and does not contribute with, insurance provided by this policy."

Each insurance policy required by this Lease, excepting policies for Workers' Compensation and Employer's Liability, must contain the following clause:

"The City of San Antonio, its officials, employees, representatives and volunteers are added as additional insureds as respects operations and activities of, or on behalf of, the named insured performed under this Lease with the City of San Antonio."

18.05. Tenant must require its insurance carrier(s) to deliver to Landlord's Risk Manager and City Clerk, upon request and without expense, copies of policies and endorsements pertinent to the limits required by Landlord. Landlord may request changes in policy terms, conditions, limitations, or exclusions (except where established by law). If Landlord does so and the changes would increase premiums, Landlord will provide 30 days' prior notice to Tenant and an opportunity to discuss the changes. If Landlord still wants the changes after discussion, Tenant must make the changes and pay the cost thereof.

18.06. If Tenant makes leasehold improvements, Tenant must further provide Builder's Risk Insurance Coverage, Worker's Compensation and Employer's Liability Insurance Coverage, Professional Liability Insurance Coverage and any other liability or other insurance coverage in the amounts and types of coverage approved by Landlord's Risk Manager, covering all risks of physical loss during the term of any construction contract and until work is accepted by the City of San Antonio. Tenant must procure and maintain the insurance, as well as other insurance coverage enumerated above, in full force and effect during the construction phase. Also, payment and performance bonds naming Landlord as indemnitee must be provided by Tenant or its contractors or subcontractors. If the construction is minor, Tenant may send a written request to the City's Director of Asset Management to waive the requirements in this Section, but a waiver may be granted only by Landlord's Risk Manager, whose decision is final.

18.07. Within 30 days after the Effective Date, Tenant must deliver certificates to Landlord's Risk Manager and the City Clerk from Tenant's insurance carrier, reflecting all required insurance coverage. All endorsements and certificates must be signed by an authorized representative of the insurance company and must include the signatory's company affiliation and title. If requested by Landlord, Tenant must send Landlord documentation acceptable to Landlord that confirms that the individual

signing the endorsements and certificates is authorized to do so by the insurance company.

18.08. The Notices and Certificates of Insurance must be provided to:

- (a) Department of Asset Management
City of San Antonio
P. O. Box 839966
San Antonio, Texas 78283-3966
Attention: Director
- (b) City Clerk, City of San Antonio
City Hall, 2nd Floor
P. O. Box 839966
San Antonio, Texas 78283-3966
Attention: Risk Manager

18.09. Nothing herein contained limits in any way Tenant's liability for damages to persons or property resulting from Tenant's activities or the activities of Tenant's agents, employees, sublessees, or invitees under this Lease.

18.10. Landlord and its agents and employees are not liable, and Tenant waives all claims, for any damage to persons or property sustained by Tenant or any person claiming through Tenant, occurring on the Premises, or for the loss of or damage to any property of Tenant or of others by theft or otherwise, whether caused by other tenants or others, except where Landlord's active negligence is the cause.

19. Indemnification.

19.01 Tenant covenants and agrees to FULLY INDEMNIFY AND HOLD HARMLESS, the CITY OF SAN ANTONIO as Landlord and the elected officials, employees, officers, directors, volunteers and representatives of Landlord, individually or collectively, from and against any and all costs, claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including, but not limited to, personal or bodily injury, death and property damage, made upon Landlord directly or indirectly arising out of, resulting from or related to Tenant's activities under this Lease, including any acts or omissions of Tenant, any agents, officers, directors, representatives, employees, consultants or subconsultants of Tenant, and their respective officers, agents, employees, directors, and representatives, while in the exercise or performance of the rights or duties under this Lease (all without however, waiving any governmental immunity available to Landlord under Texas Law and without waiving any defenses of the parties under Texas law.) IT IS FURTHER COVENANTED AND AGREED THAT SUCH INDEMNITY SHALL APPLY EVEN WHERE SUCH COSTS, CLAIMS, LIENS, DAMAGES, LOSSES, EXPENSES, FEES, FINES, PENALTIES, ACTIONS, DEMANDS, CAUSES OF ACTION, LIABILITY AND/OR SUITS ARISE IN ANY PART FROM THE NEGLIGENCE OF LANDLORD, ITS ELECTED OFFICIALS, EMPLOYEES, AGENTS, OFFICERS, DIRECTORS,

VOLUNTEERS, REPRESENTATIVES, CONSULTANTS, SUBCONSULTANTS, CONTRACTORS, SUBCONTRACTORS, UTILITY PROVIDERS, SERVICE PROVIDERS, LICENSEES, AND INVITEES UNDER THIS LEASE. The provisions of this INDEMNITY are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractually or otherwise, to any other person or entity. Tenant shall promptly advise Landlord in writing of any claim or demand against Landlord or Tenant known to Tenant related to or arising out of Tenant's activities or Landlord's activities or omissions as noted herein under this Lease and shall see to the investigation and defense of such claim or demand at Tenant's cost. Notwithstanding any condition imposed by a policy of insurance to which tenant and Landlord are named, Landlord shall retain the right, at its option and at its own expense, to participate in any such defense provided by insurance or self-insurance of Tenant under this ARTICLE without relieving Tenant of any of its obligations under this ARTICLE.

19.02 It is the EXPRESS INTENT of the parties to this Lease, that the INDEMNITY provided for in this ARTICLE is an INDEMNITY extended by Tenant to INDEMNIFY, PROTECT AND HOLD HARMLESS, Landlord from the consequences of Landlord's OWN NEGLIGENCE, provided however, that the INDEMNITY provided for in the ARTICLE SHALL APPLY only when the NEGLIGENT ACT of Landlord is a CONTRIBUTORY CAUSE of the resultant injury, death, or damage, and shall have no application when the negligent act of Landlord is the sole cause of the resultant injury, death, or damage. Tenant further AGREES TO DEFEND, AT ITS OWN EXPENSE AND ON BEHALF OF LANDLORD AND IN THE NAME OF LANDLORD, any claim or litigation brought against Landlord and its elected officials, employees, agents, officers, directors, volunteers and representatives, in connection with any such injury, death, or damage for which this INDEMNITY shall apply, as set forth above.

20. Acts of Co-Tenants and Other Persons.

All fixtures, improvements, trade fixtures, equipment, signs, furniture, furnishings, and other personal property placed in the Premises are present at the sole risk of Tenant. Landlord is not liable to Tenant or to any other person, and Tenant waives all claims for, any injury or death to any person or damage to any property of Tenant or to other persons or other property located in or upon the Premises, or for any loss or damage to the property by theft or otherwise or due to the Premises or any part or appurtenances thereof becoming out of repair or arising from bursting or leaking of water, gas, waste pipes, or defective wiring or excessive or deficient electrical current; or from any act or omission of employees, co-tenants, or other occupants of the Premises, or the Building, or any other persons or due to the happening of any accident in or about the Premises, unless such damage is proven to have been caused by Landlord's sole active negligence. **Tenant must indemnify Landlord and hold it harmless of and from any and all loss, cost, liability, or expense arising from or related to damage to Tenant's property or damage to Tenant's business, including subrogation claims by Tenant's insurers.**

21. Assignment and Subletting.

21.01. Any attempt at transfer, assignment, or subletting of Tenant's rights, duties, and obligations hereunder, without the Landlord's prior written consent, is void and terminates the Lease. Tenant must, upon such termination, immediately and peacefully vacate the Premises within three days after Landlord's notice to Tenant.

21.02. Landlord's consent on one occasion does not waive need for consent to any later attempted transfer, assignment, or subletting.

21.03. Any consent to a transfer, assignment, or subletting must be written in form satisfactory to Landlord and must be signed by the transferor, assignor, or sublessor. The transferee, assignee, or sublessee must agree in writing for the benefit of Landlord to assume and perform the terms, covenants, and conditions of this Lease. One executed copy of the written instrument must be delivered to Landlord.

21.04. Tenant must remain fully and primarily liable under this Lease, notwithstanding any assignment or sublease, and each assignee or sublessee is required to attorn to Landlord (by instrument reasonably satisfactory to Landlord).

21.05. For purposes of this Lease, the terms "assign" and "assignment" include, without limitation, any transfer, whether voluntary, involuntary, by operation of law, or otherwise, by (i) mortgage, pledge or encumbrance hereof or any interest herein; or (ii) sale, assignment, bequest, inheritance, or devolution; or (iii) merger, consolidation, liquidation, disposition of stock or shares, or the transfer of any other interest in Tenant (including any partnership interest) that results (whether in intervals or over a period of time or in several transactions or in one transaction) in a change in ownership or change in control of ownership from the owners at the time of the execution of this Lease. "Change in ownership" or "change in control" means a change in the majority ownership from the owner of the Tenant that existed on the Effective Date.

21.06. A sublease, if approved by Landlord, may not be entered into by Tenant and a subtenant for use of the Premises or any part thereof for a school or any other place of assembly or any use that would violate the City of San Antonio Fire Department requirements limiting occupancy.

21.07. Tenant must attorn to any transferee of Landlord, if the transferee agrees in writing not to disturb Tenant's possession of the Premises.

22. Damage or Destruction of Premises.

22.01. **Partial Damage.** If the Premises are partially damaged or destroyed by fire or other casualty, Tenant must give immediate written notice to Landlord. Landlord will determine, upon consultation with Tenant, whether the Premises are partially unfit for occupancy for Tenant's intended business purposes. Landlord may, but is not obligated to, repair the damage and restore the Premises to substantially the same condition as existed immediately before the casualty.

If Landlord chooses to rebuild the Premises and continue this Lease, Landlord must notify Tenant of such intention within 90 days ("Landlord's Notice to Rebuild") after the date of notice of damage. Otherwise, the Lease is canceled.

Restoration would be at Landlord's expense, unless the damage is due to Tenant's negligence, but such repairs are limited to the extent of insurance proceeds available to Landlord and will proceed only if the San Antonio City Council first approves such use of the proceeds.

As a condition precedent to the restoration, Tenant must assign all insurance proceeds received by Tenant as a result of the casualty attributable to elements that the Landlord will restore. Landlord will not restore leasehold improvements.

Landlord will allow Tenant a fair reduction of Rent in proportion to the lease space still useable by Tenant for the conduct of business during Landlord rebuild or repair work. If the Premises are not repaired or restored by Landlord within 180 days after the date of Landlord's Notice to Rebuild, subject to force majeure, in the form of acts of God, war, strikes, shortages of labor or materials, acts of terrorism, or any other reason beyond the control of Landlord, then Tenant may elect to terminate this Lease upon 30 days' prior written notice to Landlord.

22.02. Destruction. If more than 25% of the gross leaseable floor area of the Premises or more than 25% of the gross leaseable floor area of the Building is damaged or destroyed, and Landlord determines, upon consultation with Tenant, that the remainder of the Premises cannot continue to be used by Tenant for Tenant's intended business purposes, then either Landlord or Tenant may terminate this Lease as of the date Tenant is required to vacate the damaged or destroyed portion of the Premises, by giving written notice to the other party of such election within 60 days after the date of the notice of damage. If the lease is terminated, both Landlord and Tenant will thereupon be released from any liability relating to the period after termination.

22.04. Landlord's obligation to rebuild or repair is limited to restoring the Premises to substantially the condition existing before leasehold improvements. If Landlord chooses to repair or rebuild, Tenant must proceed with reasonable diligence at its sole cost and expense to rebuild, repair, and restore all leasehold improvements in a manner and to a condition at least equal to that existing before the damage or destruction. Failure by Tenant to complete its rebuilding, repair, or restoration within 90 days after Landlord's notice is mailed, subject to force majeure, as defined above, or because Tenant's insurer fails to provide any insurance proceeds is deemed a separate event of default hereafter. If the San Antonio City Council does not elect to use Landlord's insurance proceeds for repairs or restoration, then Tenant may retain Tenant's insurance proceeds.

23. Eminent Domain.

23.01. If the entire Premises are appropriated or taken under the power of eminent domain by any public or quasi-public authority, this Lease terminates and expires as of the date of such taking. Both Landlord and Tenant are thereupon released from any liability thereafter accruing hereunder as of the earlier of the date of taking or

date on which Premises become unusable. If more than 25% of the gross leaseable floor area of the Premises or more than 25% of the gross leaseable floor area of the Building is taken under the power of eminent domain by any public or quasi-public authority, or, if by reason of any appropriation or taking, regardless of the amount so taken, and Landlord determines, upon consultation with Tenant, that the remainder of the Premises cannot continue to be used by Tenant for Tenant's intended business purposes, then either Landlord or Tenant may terminate this Lease as of the date Tenant is required to vacate a portion of the Premises so taken, by giving written notice within 60 days after the date of taking. If termination occurs, both Landlord and Tenant will thereupon be released from any liability relating to the period after termination.

23.02. If this Lease is terminated because of a condemnation, Landlord receives the entire award or compensation from such proceedings. Tenant hereby waives all claims to any condemnation award, but nothing herein is deemed to affect Tenant's right to receive compensation or damages for its trade fixtures, finish out, equipment, personal property, and relocation expenses through a separate award. All Rent for the last month of Tenant's occupancy will be prorated, and Landlord will refund to Tenant the appropriate portion of Rent paid in advance.

23.03. If both Landlord and Tenant choose not to terminate this Lease, Tenant must remain in that portion of the Premises that has not been taken. Landlord may then, if it chooses, at it's cost and expense, restore the remaining portion of the Premises to a complete unit of like quality and character as existed prior to the taking. Landlord's obligation to restore does not exceed the amount of condemnation proceeds received by Landlord. Thereafter, the Rent will be adjusted on an equitable basis, taking into account the relative value of the portion taken as compared to the portion remaining. During such restoration, all Rent abates as to the portion not useable by Tenant. Tenant must assign all its condemnation proceeds to Landlord, if needed, to complete the restoration. Tenant is responsible for any finish-out that is included in the amount given by Landlord to Tenant from Landlord's condemnation proceeds for "finish-out" restoration. A voluntary sale or conveyance in lieu of condemnation under threat of condemnation is deemed an appropriation or taking under the power of eminent domain.

24. Default.

Each of the following, independently of any other, is an event of default:

- A. Tenant's failure to pay any sums due under this lease ("monetary default") and the failure is not cured within 10 days after notice thereof.
- B. Tenant's failure to perform or observe any of other term, provision, condition, or covenant of this lease and the failure is not cured within 30 days after notice thereof, except if more than 30 days is reasonably required to cure a non-monetary default, it is an event of default if Tenant fails to begin cure within 30 days of notice or if Tenant fails to diligently pursue cure once begun. No cure may take more than 60 days from notice.
- C. The leasehold estate being taken by execution or by other process of law.

D. Tenant becoming subject to an order for relief under the United States Bankruptcy Code, becoming subject to a receivership, or entering into a composition of creditors.

E. Entry by any court of an order modifying the rights of Tenant's creditors.

F. Tenant's becoming defunct or merging or joining with another entity without the prior written approval of the Landlord.

G. Tenant's failure to take possession of the Premises, or having taken possession, failure to conduct business within 10 days following the date of issuance of a Certificate of Occupancy by City, or after beginning the conduct of business, failure to open for business for a period of more than five consecutive days at any one time.

H. Any other event denominated as an event of default elsewhere in this lease.

25. Remedies-Termination and Other Options.

25.01. If Tenant defaults, Landlord may after the notice and cure periods set forth above, at its option, declare this Lease and all rights and interests created by it to be terminated. Upon Landlord electing to terminate, this Lease ceases as if it were the original expiration of this lease's term. Landlord, its agents or attorney, may resume possession of the Premises and re-let the same for the remainder of the original term at the best Rent Landlord, its agents or attorney may obtain for the account of Tenant, who must make good any deficiency.

25.02. Upon repossession, whether or not this Lease is terminated, to the full extent permitted under applicable law, Landlord's duty to relet the Premises or otherwise to mitigate damages under this Lease is limited to the minimum requirements of Texas law. To the maximum extent permitted by applicable law, Landlord is deemed to have used objectively reasonable efforts to relet the Premises and mitigate Landlord's damages by: (1) posting a "For Lease" sign on Premises; (2) advising Landlord's lease agent, if any, of the availability of the Premises; and (3) advising at least one outside commercial brokerage entity of the availability of the Premises. If Landlord receives any payments from reletting the Premises, the payments will first be applied to any costs or expenses incurred by Landlord as a result of Tenant's default.

25.03. In connection with any such reletting, Landlord may make or cause to be made such repairs to the Premises as Landlord, in good faith, deems advisable. Making such repairs does not release Tenant from liability hereunder. Landlord is in not liable, and Tenant's liability is not affected or diminished, for Landlord's inability to relet the Premises, or if the Premises are relet, its inability to collect rental under such reletting.

25.04. Termination of this Lease for Tenant's default does not relieve Tenant from liability for any sum owing for the period before termination.

25.05. In addition to the remedies explicitly set forth, Landlord has all remedies for Tenant's default otherwise provided by Texas law. All rights, options, and remedies of Landlord contained in this Lease are cumulative of the other, and Landlord may pursue any one or all of such remedies or any other remedy or relief available at law or in equity. No waiver by Landlord of a breach of any of the covenants, conditions, or restrictions of this Lease waives earlier or later breach of the same or any other covenant, condition, or restriction herein contained.

25.06. Upon any expiration or termination of this Lease, Tenant must quit and peacefully surrender the Premises to Landlord. Upon termination or at any time thereafter, Landlord may, without further notice, enter the Premises and possess them, by force, summary proceedings, ejectment or otherwise, and may dispossess Tenant and remove Tenant and all other persons and property therefrom.

25.07. Landlord's repossession of the Premises is not an election to terminate this Lease and does not cause a forfeiture of Rents or other charges remaining to be paid during the balance of the term hereof, unless a written notice of such intention is given to Tenant by Landlord. Notwithstanding any reletting without termination by Landlord because of any default by Tenant, Landlord may, at any time after such reletting, terminate this Lease for any such default.

25.08. If Landlord relets, then rentals received by Landlord from such reletting are applied:

1. to payment of any cost of reletting;
2. to payment of any cost of repairs to the Premises;
3. to payment of any indebtedness due hereunder from Tenant to Landlord;

The residue, if any, belongs to Landlord. Tenant must also pay to Landlord, as soon as ascertained, any costs and expenses incurred by Landlord in such reletting or in making such repairs not covered by the rentals received from such reletting of the Premises.

25.09. If Landlord terminates this Lease or takes possession of the Premises for Tenant's default, Tenant, and those holding under Tenant, must forthwith remove their trade fixtures, equipment, signs, furniture, furnishings, other personal property, and non-structural improvements ("goods and effects") from the Premises, unless Landlord gives notice of intent to exercise any lien against the goods and effects. If Tenant fails to timely remove its goods and effects when required to do so, Landlord may, without liability to Tenant, remove the goods and effects and store them for the account of Tenant at any place selected by Landlord, with all costs for the removal and storage to be borne by Tenant. Alternatively, Landlord may assume ownership and control of all goods and effects free of any claim of Tenant, and Tenant must execute and deliver any instruments necessary to document Landlord's ownership.

25.10. In addition to any other lien Landlord may have under applicable law, Tenant hereby gives Landlord a contractual lien against all its goods and effects to

secure payment of any money owing to Landlord under this lease. At Landlord's request, Tenant must execute and deliver to Landlord a UCC financing statement evidencing Landlord's lien rights. Landlord may file financing statements as allowed by law to protect its interests. In exercising its lien rights, Landlord may, without limiting other rights granted by applicable law:

- a. Take the goods and effects in lieu of the remaining indebtedness relating to the period before termination of the lease, and Tenant must execute and deliver any instruments necessary to document Landlord's ownership.
- b. Dispose of Tenant's goods and effects, without notice, at a private or public sale and without liability to Tenant and while retaining the right to seek a deficiency from Tenant.

25.11. If Landlord repossesses the Premises upon Tenant's default, Tenant must not claim the right to redeem or re-enter the Premises or otherwise make any claim under this lease.

25.12. No settlement before final judgment of any proceeding to terminate this lease or evict Tenant waives any condition contained herein or any subsequent breach of this Lease.

25.13. All amounts expended by Landlord for the account of Tenant is additional Rent and may, at the option of Landlord, be added to any other sums then due or thereafter falling due hereunder.

26. Other Terminations.

26.01. In accordance with the § 137 of the City Charter, Landlord may further terminate this Lease for any of the following:

- A. This Lease is deemed by the City Council to be inconsistent with the public use of the property.
- B. Tenant's use of the Premises is finally adjudicated to be a nuisance by a court of competent jurisdiction.

26.02. Either party may terminate this lease without cause on 180 days prior, written notice. Before a party may deliver such a notice, it must pay all sums due to the other under this lease. For termination by Tenant to be effective, Tenant must pay all Rent owing for the period before the termination date. Termination does not release sums one party owes to the other pertaining to the period before termination.

27. Release from Liability/Notice of Sale.

27.01. If Landlord sells or exchanges the Premises, Landlord is freed of all liability under this lease for all periods. Landlord will notify Tenant in writing upon the closing of such transfer and secure the agreement of the transferee to notify Tenant of the transferee's name and the place for future payment of Rent. Upon written request of Landlord or any transferee of Landlord, including a ground lessor or a mortgagee, beneficiary, or assignee of Landlord, Tenant will, in writing

(1) subordinate its rights hereunder to the interest of any transferee of the land upon which the Premises are situated and to the lien of any mortgage or deed of trust, now or hereafter in force against the land and Building of which the Premises are a part ("Land"), and upon any building hereafter placed upon the Land and to all advances made or hereafter to be made upon the security thereof.

(2) attorn to any assignee of Landlord and

(3) if Tenant is not in default hereunder, execute a Certificate of Estoppel if requested, in a form reasonably acceptable to Tenant, provided in each instance that the transferee agrees not to disturb Tenant's possession of the Premises if Tenant does not default.

27.02. "Ground Lessor" includes Landlord, if applicable. Landlord and Tenant will execute any legal instrument purporting to be a Subordination, Non-Disturbance, and Attornment Agreement and an Estoppel Certificate requested by transferee, if it does not impair the rights or enlarge the obligations of the signing party.

27.03. The Director of the City of San Antonio Department of Asset Management or successor, as designee of the City Manager of the City of San Antonio, and upon review by the City Attorney, is authorized to execute the instrument, without the prior passage an ordinance by the San Antonio City Council.

28. Dispute Resolution.

28.01. As a condition precedent to bringing any action arising out of or relating to this agreement or any aspect thereof, including an action for declaratory relief but not an action specifically excepted below, the disputants must first submit in good faith to mediation. The parties may not assert limitations, laches, waiver, and estoppel based upon attempts to mediate.

28.02. Filing suit on a claim that should be mediated hereunder waives the filer's right to demand mediation. But one party's waiver does not affect another party's right. A defendant does not waive mediation for so long as, within a reasonable time after appearing, the defendant gives written notice to the plaintiff or its counsel of intent to require compliance with this paragraph.

28.03. Mediation must be conducted in San Antonio, Bexar County, Texas.

28.04. The party desiring relief has the burden to initiate mediation. Waiting for another party to initiate mediation does not waive the right to it.

28.05. If the parties can otherwise agree on a mediator, they may do so. Alternatively, either party may petition any court of competent jurisdiction to appoint a mediator. The only predicate issues the court need consider before appointing a mediator are whether (i) the copy of the contract before the court is authentic and (ii) the contract was duly signed and delivered by all parties to be bound to mediate. If neither of those issues is denied under oath, the court may appoint a mediator upon motion, without trial.

28.06. Mediator fees must be borne equally.

28.07. The parties need not mediate before going to court (1) for either party to seek emergency injunctive relief or (2) for Landlord to seek forcible entry and detainer relief against Tenant.

29. Miscellaneous Provisions.

29.01. **Joint and Several.** If there is more than one tenant, Tenants' obligations are joint and several. If Tenant is a partnership, the covenants of Tenant are the joint and several obligations of each of the partners and the obligations of the firm.

29.02. **Tenant Financing.** Tenant may grant a security interest in Tenant's personal property located in the Premises. Landlord's lien against Tenant's personal property is subordinate to the security interest. Landlord will sign a written subordination agreement if the agreement does not impair Landlord's rights (except as to a lien on Tenant's personal property) or increase its obligations. The Director of the Asset Management Department may sign such documents without passage of an ordinance by the San Antonio City Council. Any impairment of Landlord's rights or increase in its obligations would require City Council approval by ordinance.

29.03. **Yielding Up.** Tenant will, upon expiration or termination, yield up the Premises peacefully to Landlord, in good order, condition, and repair, reasonable use and wear excepted.

29.04. **Authority To Execute.** The parties executing this Lease on behalf of Tenant personally warrant that each of them has full authority to execute this Lease on behalf of the entity for whom they are acting.

29.05. **Applicable Law. The Construction Of This Agreement And The Rights, Remedies, And Obligations Arising Thereunder Are Governed By The Laws Of The State Of Texas.** The Texas conflicts of law rules must not cause the application of the laws of a jurisdiction other than Texas. The obligations performable hereunder by both parties are performable in San Antonio, Bexar County, Texas.

29.06. **Severability.** If any portion hereof is determined to be invalid or unenforceable, the determination does not affect the remainder hereof.

29.07 **Successors.** This Agreement inures to the benefit of and binds the heirs, representatives, successors, and permitted assigns of each party. This clause does not authorize any assignment not otherwise authorized.

29.08. **Integration. This Written Agreement Represents The Final Agreement Between The Parties And May Not Be Contradicted By Evidence Of Prior, Contemporaneous, Or Subsequent Oral Agreements Of The Parties. There Are No Oral Agreements Between The Parties.**

29.09. **Modification.** This Agreement may not be changed orally but only by a written agreement, signed by the party against whom enforcement of any modification is sought. No such modification, express or implied, affects the right of the modifying party to require observance of either (i) any other term or (ii) the same term or condition as it applies on a subsequent or previous occasion.

29.10. **Third Party Beneficiaries.** This Agreement is intended for the benefit of the parties hereto and their successors and permitted assigns only. There are no third party beneficiaries.

29.11. **Notices.** Any notice provided for or permitted hereunder must be in writing and by certified mail, return receipt requested, addressed to the parties at their respective addresses set forth in the preamble. If the addressee is a corporation, notices must be addressed to the attention of its President. The giving of notice is complete three days after its deposit, properly addressed and postage prepaid, with the United States Postal Service. Failure to conform to the requirement that mailings be done by certified mail does not defeat the effectiveness of notice actually received, but such notice is effective only on actual receipt. Address for notice may be changed by giving notice hereunder.

29.12. **Captions.** Paragraph captions in this Agreement are for ease of reference only and do not affect the interpretation hereof.

29.13. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which is an original, whether or not all parties sign the same document. Regardless of the number of counterparts, they constitute only one agreement. In making proof of this agreement, one need not produce or account for more counterparts than necessary to show execution by or on behalf of all parties.

29.14. **Further Assurances.** The parties must execute and deliver such additional documents and instruments as may be required to effect fully the provisions hereof. No such additional document(s), however, may alter the rights or obligations of the parties as contained in this agreement

29.15.. **Ambiguities Not to Be Construed against Drafter.** Any ambiguities found in this lease must be resolved without resort to construction against the drafter.

29.16. **No Special Relationship.** The parties' relationship is an ordinary commercial one. They do not intend to create the relationship of principal and agent, partnership, joint venture, or any other special relationship.

30. Prohibited Interests in Contracts.

30.01. The Charter of the City of San Antonio and its Ethics Code prohibit a City officer or employee, as defined in Section 2-52 of the Ethics Code, from having a financial interest in any contract with the City or any City agency such as city owned utilities. An officer or employee has a "prohibited financial interest" in a contract with the City or in the sale to the City of land, materials, supplies or service, if any of the following individual(s) or entities is a party to the contract or sale:

- (a) a City officer or employee;
- (b) his parent, child or spouse;
- (c) a business entity in which the officer or employee, or his parent, child or spouse owns (i) 10% or more of the voting stock or shares of the business entity, or (ii) 10% or more of the fair market value of the business entity;
- (d) a business entity in which any individual or entity above listed is a (i) subcontractor on a City contract, (ii) a partner, or (iii) a parent or subsidiary business entity.

30.02. Tenant warrants and certifies as follows:

- (a) Tenant and its officers, employees and agents are neither officers nor employees of the City.
- (b) Tenant has tendered to the City a Discretionary Contracts Disclosure Statement in compliance with the City's Ethics Code.

30.03. Tenant acknowledges that Landlord's reliance on the above warranties and certifications is reasonable.

In Witness Whereof, the parties have hereunto caused their representatives to set their hands:

Landlord:

City of San Antonio, a Texas
municipal corporation

Signature: _____

Printed

Name: _____

Tenant:

**Trade Commission of Mexico/Banco
Nacional de Comercio Exterior,
S.N.C.**, an agency of the United
Mexican States

Gabriel Barrera Perez

Title: _____

Executive Director of International
Promotion

Date: _____

Date: _____

Carolina Bravo Rangel
Director of Material Resources

Date: _____

Attest:

City Clerk

Approved as to Form:

City Attorney

Exhibit A

